Message Text

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E.O. 11652: N/A

TAGS: ECON, PINT, EG

SUBJ: FIRST SCAPEGOAT IN PRICE INFLATION IMBROGLIO

1.ALL CAIRO DAILIES CARRIED FRONT PAGE ANNOUNCEMENT (AL-GUMHURIYYA CARRIED PHOTO) OF SHIFT OF HEAD OF MINSUPPLY CONTROL OFFICE CHIEF SAYED AL-MASRI TO MINISTRY OF TRADE. SAYED AL-MASRI FIGURED PROMINENTLY IN THE AUGUST 1977 VEGETABLE WAR WHEN HE WAS PLACED IN CHARGE OF INTERMINISTERIAL COMMITTEE TO POLICE PRICE GUIDELINES AND ASSURE AVAILABILITY OF AGRICULTURAL PRODUCE. HE APPARENTLY HAS LOST CONFIDENCE OF HIS SUPERIORS IN HIS ABILITY TO PERFORM THIS CONTROL FUNCTION AND SUCH IS FIRST TO RECEIVE PUBLIC BLAME FOR CONTINUING SUPPLY COMMODITY IMBROGLIO.

2. THERE IS NO ANNOUNCED REPLACEMENT FOR AL-MISRI; HOWEVER, THERE IS EVIDENCE THAT HIS FUNCTIONS WILL BE TAKEN OVER BY THE MINISTER OF INTERIOR HIMSELF.
GENERAL NABAWI IS NOW SEEN PROWLING WHOLESALE VEGETABLE MARKETS AT EARLY HOURS HOPING TO STIMULATE NOT ONLY SUPPLY OF VEGETABLES, BUT ALSO PUBLIC CONFIDENCE THAT GOVERNMENT IS INVOLVED IN HELPING SOLVE MAJOR PROBLEM. LIMITED OFFICIAL USE

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3. PRIMARY PROBLEM, ACCORDING TO PRESS AND CITIZEN ACCOUNTS, NOW SEEMS TO FOCUS ON AVAILABILITY AND PRICE OF FRESH VEGETABLES. LESS THAN EIGHT MONTHS AGO VEGETABLES (PRIMARILY TOMATOES, ONIONS AND ZUCCHINI SQUASH) WERE ALWAYS AVAILABLE AND AT VERY LOW PRICES (RANGING FROM TWO TO SIX PIASTERS A KILO DEPENDING ON SEASON).

MANY EGYPTIANS IN THE 25-50 POUND-A-MONTH CATEGORY DEPENDED ON AVAILABILITY OF THESE VEGETABLES FOR BASIC FOOD. NOW IT IS HARD TO FIND ANY OF ABOVE COMMODITIES AT LESS THAN 10 PIASTERS A KILO. HENCE MANY WORKERS ARE NOW FACED WITH POSSIBILITY OF HAVING TO USE SIXTY TO NINETY PER CENT OF THEIR INCOME ON FOOD. LACK OF AVAILABILITY SEEMS TO RESULT IN PART FROM LOW CROP YIELDS CAUSED BY UNUSUALLY COOL WINTER WEATHER AND FACT THAT EXPORTS OF MANY VEGETABLES HAVE INCREASED.

4. COMMENT: MANY OBSERVERS BELIEVE THAT WITH SITUATION WORSENING, TRADE AND SUPPLY MINISTER TEWFIQ MUST BE REMOVED FROM THE CABINET IN ORDER SHOW GOE'S COMMITMENT TO RESOLVING PROBLEM. OTHERS WONDER IF THE FINGER OF BLAME WILL STOP WITH MINISTER TEWFIQ. EILTS

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